

**08 CV 3440**

**Exhibit A**

### **SETTLEMENT AGREEMENT**

This Settlement Agreement is effective this 24 day of March 2009, and is entered by and between the following parties (collectively "the Parties"): the CHICAGO REGIONAL COUNCIL OF CARPENTERS PENSION FUND, the CHICAGO REGIONAL COUNCIL OF CARPENTERS WELFARE FUND, the CHICAGO AND NORTHEAST ILLINOIS REGIONAL COUNCIL OF CARPENTERS APPRENTICE AND TRAINEE PROGRAM, the LABOR/MANAGEMENT UNION CARPENTRY COOPERATION FUND and their respective trustees (collectively the "Trust Funds") and ADVANCED SYSTEMS GROUP, INC. an Illinois corporation, ("ASGI").

#### **WITNESSETH**

- A) WHEREAS, the Trust Funds receive contributions from numerous employers pursuant to Collective Bargaining Agreements between the employers and the Chicago and Northeast Illinois Regional Council of Carpenters (the "Union"), and therefore, are multi-employer plans (29 U.S.C. § 1002);
- B) WHEREAS, the Trust Funds filed a lawsuit against ASGI in the United States District Court for the Northern District of Illinois captioned as matter *Chicago Regional Council of Carpenters Pension Fund, et al. v Advanced Systems Group, Inc.* 08 C 3440 ("Lawsuit");
- C) WHEREAS, ASGI is an employer that entered into an agreement with the Chicago and Northeast Illinois Regional Council of Carpenters AFL-CIO United Brotherhood of Carpenters and Joiners of America ("Union") whereby it agreed to be bound by the terms and conditions of certain collective bargaining agreements and trust agreements;
- D) WHEREAS, the Trust Funds filed the Lawsuit to recover payment of contributions, interest, liquidated damages, auditors' fees and attorneys' fees owed to the Trust Funds;
- E) WHEREAS, ASGI provided books and records to the Trust Funds' auditors, James Egan & Associates, and performed an audit for the period January 1, 2006 through September 30, 2007 ("Audit Period");
- F) WHEREAS, ASGI represents that it produced complete, true and accurate copies of the books and records requested by the auditor and acknowledges that the Trust Funds have relied on this representation in entering into this Agreement;
- G) WHEREAS, the auditors' report and the Trust Funds determined that ASGI failed to report and to remit to the Trust Funds contributions owed to the Trust Funds for hours worked by its employees and/or subcontractors;
- H) WHEREAS, ASGI disputes certain obligations owed to the Trust Funds arising out of the audit report prepared by James Egan & Associates;
- I) WHEREAS, all Parties to this Agreement agree that nothing contained in this Agreement shall be construed as an admission of liability of any kind or nature by either party;

- J) WHEREAS, the Parties hereto have concluded that the execution by them of this Agreement will avoid protracted, uncertain and expensive litigation, and acknowledge that the terms and provisions herein are fair and reasonable, and that each is receiving a substantial and valuable benefit if this Agreement is consummated; and
- K) WHEREAS, the Parties have had the assistance of legal counsel of their own choosing and are satisfied that the terms and conditions of this Agreement are fair, adequate and reasonable;

**NOW, THEREFORE**, for and in consideration of the sums to be paid hereunder, and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, and for the performance of the mutual covenants hereinafter to be performed, **IT IS AGREED** as follows:

1. Recitals. The recitals set forth herein are intended by the Parties hereto to evidence their intent in executing this Agreement and to describe the circumstances surrounding its execution, and the Parties hereto intend that this Agreement be construed in a manner consistent with the recitals. Accordingly, said recitals are, by express reference, made a part of the covenants herein, and this Agreement shall be construed in light thereof.

2. Payment.

(a) ASGI shall pay the Trust Funds fourteen thousand dollars (\$14,000.00) upon execution of this Agreement. Payment shall be made as follows:

March 15, 2009	\$1,560.00
April 15, 2009	\$1,555.00
May 15, 2009	\$1,555.00
June 15, 2009	\$1,555.00
July 15, 2009	\$1,555.00
August 15, 2009	\$1,555.00
September 15, 2009	\$1,555.00
October 15, 2009	\$1,555.00
November 15, 2009	\$1,555.00

Each payment shall be due on or before the first day of each month. Payments shall be delivered to McJessey, Ching & Thompson, LLC, 3759 N. Ravenswood, Suite 231, Chicago, Illinois 60613.

**(b) ALL PAYMENTS DUE UNDER THIS AGREEMENT SHALL BE SENT BY ASGI IN SUCH A MANNER THAT THE PAYMENTS ARE RECEIVED BY THE TRUST FUNDS ON OR BEFORE THE DATE DUE.**

3. Default.

(a) Default. In the event that the Trust Funds do not receive any payment due hereunder on or before the date when the payment is due, ASGI shall be in default of its obligations under this Agreement.

(b) **Notice and Cure Period.** In the event of default, the Trust Funds shall notify ASGI of said default by sending a notice by U.S. Mail to: Advanced Systems Group, Inc., 485 W. Fullerton Avenue, Elmhurst, IL 60126, with a copy by U.S. Mail and facsimile to Todd Miller, Allocco & Miller, P.C., 3409 N. Paulina, Chicago, Illinois 60657 ("Notice"). Notice sent in this manner shall be deemed sufficient regardless of whether it is received, provided that the Trust Funds provide a certificate of service that notice was properly sent in accordance with the above provisions. ASGI shall have ten (10) days, not counting weekends and holidays ("Cure Period"), from the date that notice of the default is sent to cure such default.

(c) **Late Fee.** If ASGI is in default on a payment and the Trust Funds or their counsel serve Notice, the amount due shall be increased by two hundred and fifty dollars (\$250.00) ("Late Fee"). The Late Fee is not intended to be a penalty but is instead payment to the Trust Funds as compensation for the additional attorneys' fees and costs incurred to issue the Notice.

(d) **Remedy for Uncured Default.** If the default is not cured within the Cure Period, ASGI shall not be permitted to cure the default and the Trust Funds' rights under this paragraph shall be deemed irrevocable. If the default is not cured within the Cure Period, ASGI authorizes, consents and agrees that the Trust Funds shall have the right to move the Court to vacate the dismissal of the Lawsuit, reinstate the lawsuit and have judgment entered in favor of the Trust Funds and against ASGI in the amount of nineteen thousand, nine hundred twenty-nine and 96/100 (\$19,929.96), plus reasonable attorneys' fees and costs incurred in enforcement and collection but less amounts previously paid under this Agreement.

4. **Dismissal.** Upon execution of this Agreement by all Parties and receipt of the first payment, the Parties agree that the Lawsuit shall be dismissed without prejudice and with the Court retaining jurisdiction to enforce the terms of this Settlement Agreement.

5. **Release.** The Trust Funds hereby release and discharge ASGI, its principals, shareholders, directors and officers, successors and assigns from any and all claims of whatever kind or nature, in law, equity or otherwise for amounts owed by ASGI as contributions to the Trust Funds for the Audit Period. Notwithstanding the foregoing, this release and the dismissal of the Lawsuit shall have no res judicata or collateral estoppel effect outside the Audit Period and the Trust Funds may pursue claims they may have related to contributions owed outside the Audit Period.

6. **Release.** ASGI hereby fully and forever releases and discharges the Trust Funds, their trustees, administrators, officers and directors and their successors and assigns from any and all claims or demands of whatever kind or nature, in law, equity or otherwise arising during the Audit Period.

7. **Indemnification.** If any current or former employee of ASGI (for this paragraph only "Claimant") makes a claim against the Trust Funds claiming that ASGI failed to make fringe benefit contributions to the Trust Funds on the Claimant's behalf and a court of competent jurisdiction determines that contributions are owed to the Trust Funds on behalf of the Claimant for the Audit Period, then ASGI agrees to indemnify, keep indemnified and hold harmless, Trust Funds, their respective trustees, administrators and agents to the fullest extent allowed by law, from and against any liability for contributions owed to the Trust Funds on behalf of the

Claimant, including but not limited to payment for the contributions owed and reasonable attorney's fees and costs incurred by the Trust Funds in defending any action by Claimant.

8. Choice of Law. The provisions of this Agreement shall be construed in accordance with the laws of the State of Illinois, except to the extent preempted by federal law. The Trust Funds and ASGI agree to submit to the jurisdiction of any court (state or federal) sitting in the County of Cook, State of Illinois for the purpose of any lawsuit concerning the construction or enforcement of this Agreement and further agree that they shall not seek to have the Lawsuit removed or transferred to any other forum.

9. Severability. In the event that any paragraph, subparagraph or provision of this Agreement shall be determined to be contrary to governing law or otherwise unenforceable, all remaining portions of this Agreement shall be enforced to the maximum extent permitted by law; the unenforceable paragraph, subparagraph or provision shall first be construed and interpreted, if possible, to render it enforceable and, if that is not possible, then the provision shall be severed and disregarded, and the remainder of this Agreement shall be enforced to the maximum extent permitted by law.

10. Merger Clause. This Agreement sets forth the entire agreement between the Parties regarding the settlement of the Lawsuit, and may be amended only by written instrument signed by the Party or Parties sought to be charged thereby. Neither the Parties nor their agents have made promises or oral or written statements other than those that appear within this Agreement. This Agreement may not be altered, amended or modified, or otherwise changed in any respect whatsoever, except by a subsequent writing executed by all of the Parties.

11. Advice of Counsel. The Parties acknowledge that they (or their designated representative(s)) have read this Agreement, that they fully understand and appreciate the meaning of this Agreement, that it fully reflects the entirety of the agreement between the parties, that no representation, inducement, or warranty has been made by any Party hereto except as set forth herein, that Parties have consulted competent legal counsel of their selection or had the opportunity to do so, and that they KNOWINGLY and VOLUNTARILY enter into this Agreement and agree to comply with its terms and conditions.

12. Signed in Counterparts. This Agreement may be executed in counterparts, and delivered by facsimile, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

The signatories represent and warrant that they are authorized to sign this Agreement and bind the Parties they represent.

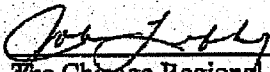
Dated: \_\_\_\_\_

Advanced Systems Group, Inc..

By: \_\_\_\_\_

Its: \_\_\_\_\_

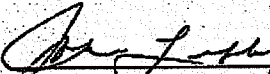
Dated: 3/24/09

  
The Chicago Regional Council of  
Carpenters Pension Fund

By: JOHN LIBBY

Its: Supervisor, Audits & Collections

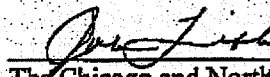
Dated: 3/24/09

  
The Chicago Regional Council of  
Carpenters Welfare Fund

By: JOHN LIBBY

Its: Supervisor, Audits & Collections

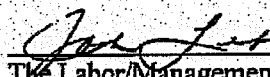
Dated: 3/24/09

  
The Chicago and Northeast Illinois Regional  
Council of Carpenters Apprentice and  
Trainee Program

By: JOHN LIBBY

Its: Supervisor, Audits & Collections

Dated: 3/24/09

  
The Labor/Management Union Carpentry  
Cooperation Fund

By: JOHN LIBBY

Its: Supervisor, Audits & Collections

**GUARANTY**

Warren J. Simpson ("Guarantor") hereby guarantees to the Chicago Regional Council of Carpenters Pension Fund, the Chicago Regional Council of Carpenters Welfare Fund, the Chicago and Northeast Illinois Regional Council of Carpenters Apprentice and Trainee Program, the Labor/Management Union Carpentry Cooperation Fund, and their respective Trustees ("Trust Funds") the full payment of all amounts to be paid by Advanced Systems Group, Inc. ("ASGI") to the Trust Funds under this Settlement Agreement (including, without limitation, the payment of all damages in the event of breach of the Settlement Agreement by ASGI which includes but is not limited to attorneys' fees and costs).

Guarantor hereby expressly waives any right to notice of non-payment by ASGI or any other notice or demand. Guarantor expressly agrees that the validity of this Guaranty and the obligations of Guarantor hereunder shall not be terminated, affected or impaired by reason of the assertion or non-assertion by Trust Funds against ASGI of any of the rights or remedies reserved to Trust Funds against ASGI pursuant to the provisions of the Settlement Agreement.

This is an absolute and unconditional guaranty of payment and not of collection. Accordingly, Guarantor further waives his rights, if any, (i) to require that any demand be made upon ASGI, any other person, entity or guarantor or (ii) to require that any action be brought against ASGI, any other person, entity or guarantor, as a condition precedent to Guarantor's obligation to pay any amounts owed under the Settlement Agreement to Trust Funds. Successive recoveries may be had hereunder. No invalidity, irregularity or unenforceability of all or any part of the Settlement Agreement shall affect, impair or be a defense to this Guaranty and this Guaranty shall constitute a primary obligation of the Guarantor.

No delay on the part of Trust Funds in exercising any rights hereunder or failure to exercise the same shall operate as a waiver of such rights; no notice to or demand on Guarantor shall be deemed to be a waiver of the obligation of Guarantor or of the right of Trust Funds to take further action without notice or demand as provided herein; nor in any event shall any modification or waiver of the provisions of this Guaranty or any termination hereof be effective unless in a writing signed by Trust Funds and no such waiver shall be applicable except in the specific instance for which given.

\_\_\_\_\_  
Warren J. Simpson

\_\_\_\_\_  
Date

**08 CV 3440**

**Exhibit B**



UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

**CHICAGO REGIONAL COUNCIL OF  
CARPENTERS PENSION FUND et al.,**

**Plaintiffs,**

08 CV 3440

**V.**

**Judge Kendall**

**ADVANCED SYSTEMS GROUP, INC., d/b/a .  
ADVANCED MATERIAL HANDLING  
SYSTEMS, INC. and d/b/a ADVANCED OFFICE  
SYSTEMS, INC., an Illinois corporation,**

### Defendants.

**DISMISSAL WITHOUT PREJUDICE PURSUANT TO SETTLEMENT AGREEMENT**

WHEREAS, the Chicago District Council of Carpenters Pension Fund, et al. ("Trust Funds") and Advanced Systems Group, Inc. ("Defendant") have settled this matter pursuant to the terms of the settlement agreement attached to and made part of this Order, IT IS HEREBY ORDERED that this matter is dismissed without prejudice and with the Court retaining jurisdiction to enforce the terms of the settlement agreement.

Date \_\_\_\_\_

## Judge Virginia Kendall

### SETTLEMENT AGREEMENT

This Settlement Agreement is effective this 24 day of March 2009, and is entered by and between the following parties (collectively "the Parties"): the CHICAGO REGIONAL COUNCIL OF CARPENTERS PENSION FUND, the CHICAGO REGIONAL COUNCIL OF CARPENTERS WELFARE FUND, the CHICAGO AND NORTHEAST ILLINOIS REGIONAL COUNCIL OF CARPENTERS APPRENTICE AND TRAINEE PROGRAM, the LABOR/MANAGEMENT UNION CARPENTRY COOPERATION FUND and their respective trustees (collectively the "Trust Funds") and ADVANCED SYSTEMS GROUP, INC. an Illinois corporation, ("ASGI").

#### WITNESSETH

- A) WHEREAS, the Trust Funds receive contributions from numerous employers pursuant to Collective Bargaining Agreements between the employers and the Chicago and Northeast Illinois Regional Council of Carpenters (the "Union"), and therefore, are multi-employer plans (29 U.S.C. § 1002);
- B) WHEREAS, the Trust Funds filed a lawsuit against ASGI in the United States District Court for the Northern District of Illinois captioned as matter *Chicago Regional Council of Carpenters Pension Fund, et al. v Advanced Systems Group, Inc.* 08 C 3440 ("Lawsuit");
- C) WHEREAS, ASGI is an employer that entered into an agreement with the Chicago and Northeast Illinois Regional Council of Carpenters AFL-CIO United Brotherhood of Carpenters and Joiners of America ("Union") whereby it agreed to be bound by the terms and conditions of certain collective bargaining agreements and trust agreements;
- D) WHEREAS, the Trust Funds filed the Lawsuit to recover payment of contributions, interest, liquidated damages, auditors' fees and attorneys' fees owed to the Trust Funds;
- E) WHEREAS, ASGI provided books and records to the Trust Funds' auditors, James Egan & Associates, and performed an audit for the period January 1, 2006 through September 30, 2007 ("Audit Period");
- F) WHEREAS, ASGI represents that it produced complete, true and accurate copies of the books and records requested by the auditor and acknowledges that the Trust Funds have relied on this representation in entering into this Agreement;
- G) WHEREAS, the auditors' report and the Trust Funds determined that ASGI failed to report and to remit to the Trust Funds contributions owed to the Trust Funds for hours worked by its employees and/or subcontractors;
- H) WHEREAS, ASGI disputes certain obligations owed to the Trust Funds arising out of the audit report prepared by James Egan & Associates;
- I) WHEREAS, all Parties to this Agreement agree that nothing contained in this Agreement shall be construed as an admission of liability of any kind or nature by either party;

- J) WHEREAS, the Parties hereto have concluded that the execution by them of this Agreement will avoid protracted, uncertain and expensive litigation, and acknowledge that the terms and provisions herein are fair and reasonable, and that each is receiving a substantial and valuable benefit if this Agreement is consummated; and
- K) WHEREAS, the Parties have had the assistance of legal counsel of their own choosing and are satisfied that the terms and conditions of this Agreement are fair, adequate and reasonable;

NOW, THEREFORE, for and in consideration of the sums to be paid hereunder, and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, and for the performance of the mutual covenants hereinafter to be performed, IT IS AGREED as follows:

1. Recitals. The recitals set forth herein are intended by the Parties hereto to evidence their intent in executing this Agreement and to describe the circumstances surrounding its execution, and the Parties hereto intend that this Agreement be construed in a manner consistent with the recitals. Accordingly, said recitals are, by express reference, made a part of the covenants herein, and this Agreement shall be construed in light thereof.

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Each payment shall be due on or before the first day of each month. Payments shall be delivered to McJassy, Ching & Thompson, LLC, 3759 N. Ravenswood, Suite 231, Chicago, Illinois 60613.

(b) ALL PAYMENTS DUE UNDER THIS AGREEMENT SHALL BE SENT BY ASGI IN SUCH A MANNER THAT THE PAYMENTS ARE RECEIVED BY THE TRUST FUNDS ON OR BEFORE THE DATE DUE.

3. Default.

(a) Default. In the event that the Trust Funds do not receive any payment due hereunder on or before the date when the payment is due, ASGI shall be in default of its obligations under this Agreement.

(b) **Notice and Cure Period.** In the event of default, the Trust Funds shall notify ASGI of said default by sending a notice by U.S. Mail to: Advanced Systems Group, Inc., 485 W. Fullerton Avenue, Elmhurst, IL 60126, with a copy by U.S. Mail and facsimile to Todd Miller, Allocco & Miller, P.C., 3409 N. Paulina, Chicago, Illinois 60657 ("Notice"). Notice sent in this manner shall be deemed sufficient regardless of whether it is received, provided that the Trust Funds provide a certificate of service that notice was properly sent in accordance with the above provisions. ASGI shall have ten (10) days, not counting weekends and holidays ("Cure Period"), from the date that notice of the default is sent to cure such default.

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4. **Dismissal.** Upon execution of this Agreement by all Parties and receipt of the first payment, the Parties agree that the Lawsuit shall be dismissed without prejudice and with the Court retaining jurisdiction to enforce the terms of this Settlement Agreement.

5. **Release.** The Trust Funds hereby release and discharge ASGI, its principals, shareholders, directors and officers, successors and assigns from any and all claims of whatever kind or nature, in law, equity or otherwise for amounts owed by ASGI as contributions to the Trust Funds for the Audit Period. Notwithstanding the foregoing, this release and the dismissal of the Lawsuit shall have no res judicata or collateral estoppel effect outside the Audit Period and the Trust Funds may pursue claims they may have related to contributions owed outside the Audit Period.

6. **Release.** ASGI hereby fully and forever releases and discharges the Trust Funds, their trustees, administrators, officers and directors and their successors and assigns from any and all claims or demands of whatever kind or nature, in law, equity or otherwise arising during the Audit Period.

7. **Indemnification.** If any current or former employee of ASGI (for this paragraph only "Claimant") makes a claim against the Trust Funds claiming that ASGI failed to make fringe benefit contributions to the Trust Funds on the Claimant's behalf and a court of competent jurisdiction determines that contributions are owed to the Trust Funds on behalf of the Claimant for the Audit Period, then ASGI agrees to indemnify, keep indemnified and hold harmless, Trust Funds, their respective trustees, administrators and agents to the fullest extent allowed by law, from and against any liability for contributions owed to the Trust Funds on behalf of the

Claimant, including but not limited to payment for the contributions owed and reasonable attorney's fees and costs incurred by the Trust Funds in defending any action by Claimant.

8. Choice of Law. The provisions of this Agreement shall be construed in accordance with the laws of the State of Illinois, except to the extent preempted by federal law. The Trust Funds and ASGI agree to submit to the jurisdiction of any court (state or federal) sitting in the County of Cook, State of Illinois for the purpose of any lawsuit concerning the construction or enforcement of this Agreement and further agree that they shall not seek to have the Lawsuit removed or transferred to any other forum.

9. Severability. In the event that any paragraph, subparagraph or provision of this Agreement shall be determined to be contrary to governing law or otherwise unenforceable, all remaining portions of this Agreement shall be enforced to the maximum extent permitted by law; the unenforceable paragraph, subparagraph or provision shall first be construed and interpreted, if possible, to render it enforceable and, if that is not possible, then the provision shall be severed and disregarded, and the remainder of this Agreement shall be enforced to the maximum extent permitted by law.

10. Merger Clause. This Agreement sets forth the entire agreement between the Parties regarding the settlement of the Lawsuit, and may be amended only by written instrument signed by the Party or Parties sought to be charged thereby. Neither the Parties nor their agents have made promises or oral or written statements other than those that appear within this Agreement. This Agreement may not be altered, amended or modified, or otherwise changed in any respect whatsoever, except by a subsequent writing executed by all of the Parties.

11. Advice of Counsel. The Parties acknowledge that they (or their designated representative(s)) have read this Agreement, that they fully understand and appreciate the meaning of this Agreement, that it fully reflects the entirety of the agreement between the parties, that no representation, inducement, or warranty has been made by any Party hereto except as set forth herein, that Parties have consulted competent legal counsel of their selection or had the opportunity to do so, and that they KNOWINGLY and VOLUNTARILY enter into this Agreement and agree to comply with its terms and conditions.

12. Signed in Counterparts. This Agreement may be executed in counterparts, and delivered by facsimile, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

The signatories represent and warrant that they are authorized to sign this Agreement and bind the Parties they represent.

Mar 19 09 10:18a Advanced Systems Group 6308344201 p.2

Dated: 3-15-09

WARREN T. SIMPSON  
Advanced Systems Group, Inc.

By: Warren Simpson  
Its: PRESIDENT

Dated: \_\_\_\_\_

\_\_\_\_\_  
The Chicago Regional Council of  
Carpenters Pension Fund

By: \_\_\_\_\_  
Its: Contributions Manager

Dated: \_\_\_\_\_

\_\_\_\_\_  
The Chicago Regional Council of  
Carpenters Welfare Fund

By: \_\_\_\_\_  
Its: Contributions Manager

Dated: \_\_\_\_\_

\_\_\_\_\_  
The Chicago and Northeast Illinois Regional  
Council of Carpenters Apprentice and  
Trainee Program

By: \_\_\_\_\_  
Its: Contributions Manager

Dated: \_\_\_\_\_

\_\_\_\_\_  
The Labor/Management Union Carpentry  
Cooperation Fund

By: \_\_\_\_\_  
Its: Contributions Manager

Dated: \_\_\_\_\_

Advanced Systems Group, Inc..

By: \_\_\_\_\_

Its: \_\_\_\_\_

Dated: 3/24/09

John Libby  
The Chicago Regional Council of  
Carpenters Pension Fund

By: JOHN LIBBY  
Its: Supervisor, Audits & Collections

Dated: 3/24/09

John Libby  
The Chicago Regional Council of  
Carpenters Welfare Fund

By: JOHN LIBBY  
Its: Supervisor, Audits & Collections

Dated: 3/24/09

John Libby  
The Chicago and Northeast Illinois Regional  
Council of Carpenters Apprentice and  
Trainee Program

By: JOHN LIBBY  
Its: Supervisor, Audits & Collections

Dated: 3/24/09

John Libby  
The Labor/Management Union Carpentry  
Cooperation Fund

By: JOHN LIBBY  
Its: Supervisor, Audits & Collections

**08 CV 3440**

**Exhibit C**



UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

CHICAGO REGIONAL COUNCIL OF	)	
CARPENTERS PENSION FUND et al.,	)	
	)	
Plaintiffs,	)	08 CV 3440
v.	)	
	)	Judge Kendall
ADVANCED SYSTEMS GROUP, INC., d/b/a	)	
ADVANCED MATERIAL HANDLING	)	
SYSTEMS, INC. and d/b/a ADVANCED	)	
OFFICE SYSTEMS, INC., an Illinois	)	
corporation,	)	
	)	
Defendant.	)	

**DECLARATION OF JOHN LIBBY**

I, John Libby, hereby declare, under penalty of perjury pursuant to the laws of the United States, as follows:

1. I am the Supervisor, Audits & Collections for the Chicago Regional Council of Carpenters Pension Fund, the Chicago Regional Council of Carpenters Welfare Fund, the Chicago and Northeast Illinois Regional Council of Carpenter Apprentice and Trainee Program and the Labor/Management Union Carpentry Cooperation Promotion Fund (collectively "the Trust Funds").
2. As part of my duties, I am responsible for supervising and enforcing contributions for medical, pension and other benefits due from numerous employers pursuant to Collective Bargaining Agreements between the employers and the Trust Funds and pursuant to the Trust Agreements.
3. On March 24, 2009, Advanced Systems Group, Inc. ("Defendant") and the Trust Funds entered into a written settlement agreement whereby Trust Funds agreed to dismiss this lawsuit in exchange for Defendant's promise to make specific, monthly installment payments.

4. Defendant agreed to pay \$14,000.00 as follows:

<u>Payment Due Date</u>	<u>Amount Due</u>
03/15/2009	\$ 1,560.00
04/15/2009	\$ 1,555.00
05/15/2009	\$ 1,555.00
06/15/2009	\$ 1,555.00
07/15/2009	\$ 1,555.00
08/15/2009	\$ 1,555.00
09/15/2009	\$ 1,555.00
10/15/2009	\$ 1,555.00
11/15/2009	\$ 1,555.00
	\$ 14,000.00

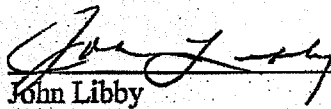
Defendant has made only the following payments on or about the dates noted:

<u>Payment Receipt Date</u>	<u>Amount Received</u>
03/24/2009	\$ 1,560.00
04/27/2009	\$ 1,555.00
05/20/2009	\$ 1,555.00
06/18/2009	\$ 1,555.00
07/22/2009	\$ 1,555.00
09/24/2009	\$ 1,555.00
10/21/2009	\$ 1,555.00
	\$ 10,890.00

5. Because Defendant failed to comply with the terms of the Settlement Agreement and to pay outstanding amounts due and late fees, the Trust Funds have had to employ the services of McJessy, Ching & Thompson, LLC. As a result, the Trust Funds incurred attorneys' fees and costs.

6. I have personal knowledge of the matters stated in this affidavit and could testify competently to them.

FURTHER DECLARANT SAYETH NOT.

 12/15/09  
John Libby

**08 CV 3440**

**Exhibit D**

# MCJESSY, CHING & THOMPSON LLC

Kevin McJessy (Licensed Illinois)  
Angela Ching (Licensed California)  
Kim Thompson (Licensed Illinois, California)

Kevin P. McJessy  
3759 N. Ravenswood, Suite 231  
Chicago, Illinois 60613  
(773) 880-1260 MAIN  
(773) 880-1261 DIRECT  
(773) 880-1265 FAX  
mcjessy@MCAandT.com

October 8, 2009

**VIA U.S. MAIL and FACSIMILE**

Todd Miller  
Allocco & Miller, P.C.  
3409 N. Paulina  
Chicago, Illinois 60657

**VIA U.S. MAIL**

Advanced Systems Group, Inc.  
485 W. Fullerton Avenue  
Elmhurst, IL 60126

RE: *Chicago Regional Council of Carpenters Pension Fund, et al. v. Advanced Systems Group, Inc.*, Case No. 08 C 3440

Dear Mr. Miller:

Please be advised that Advanced Systems Group, Inc. is in default of its obligations under the terms of the settlement agreement in the above referenced matter because we have not received the payment of \$1,555.00 which was due September 15, 2009.

To date, Chicago Regional Council of Carpenters Fringe Benefit Funds have received six (6) payments. The Trust Funds did not receive any payment in August. The Trust Funds did receive a payment on or about September 22, 2009 which was applied to August 2009, although this payment did not include the additional \$250.00 late fee due under the terms of the Settlement Agreement.

To date, Advanced Systems Group, Inc. has failed to pay the \$250.00 late fee due as a result of the prior notice of default that we issued in April 2009 and the \$250.00 late fee due to our issuance of the late notice in August 2009. As a result of this notice, there is yet an additional \$250.00 due as a result of the issuance of this Notice of Default.

The parties' settlement agreement provides as follows:

(b) **Notice and Cure Period.** In the event of default, the Trust Funds shall notify ASGI of said default by sending a notice by U.S. Mail to: Advanced Systems Group, Inc., 485 W. Fullerton Avenue, Elmhurst, IL 60126, with a copy by U.S. Mail and facsimile to Todd Miller, Allocco & Miller, P.C., 3409 N. Paulina, Chicago, Illinois 60657 ("Notice"). Notice sent in this manner shall be deemed sufficient regardless of whether it is received, provided that the Trust Funds provide a certificate of service that notice was properly sent in accordance with the above provisions. ASGI shall have ten (10) days, not counting weekends and holidays ("Cure Period"), from the date that notice of the default is sent to cure such default.

(c) **Late Fee.** If ASGI is in default on a payment and the Trust Funds or their counsel serve Notice, the amount due shall be increased by two hundred and fifty dollars (\$250.00) ("Late Fee"). The Late Fee is not intended to be a penalty but is instead payment to the Trust Funds as compensation for the additional attorneys' fees and costs incurred to issue the Notice.

## MCJESSY, CHING & THOMPSON LLC

October 8, 2009

Page 2

Accordingly, we look forward to receipt of payment of \$2,305.00 within ten (10) days of your receipt of this letter. If payment is not made within ten (10) days, we will seek to enforce the rights of the Chicago Regional Council of Carpenters Fringe Benefit Funds under the terms of the parties' settlement agreement.

Sincerely,

MCJESSY, CHING & THOMPSON, LLC



Kevin P. McJessey

KPM:smk

cc: John Libby (via email)  
Nathaniel Lagalo (via email)

**08 CV 3440**

**Exhibit E**

# MCJESSY, CHING & THOMPSON LLC

Kevin McJessey (Licensed Illinois)  
Angela Ching (Licensed California)  
Kim Thompson (Licensed Illinois, California)

Kevin P. McJessey  
3759 N. Ravenswood, Suite 231  
Chicago, Illinois 60613  
(773) 880-1260 MAIN  
(773) 880-1261 DIRECT  
(773) 880-1265 FAX  
[mcjessey@MCardT.com](mailto:mcjessey@MCardT.com)

November 23, 2009

**VIA U.S. MAIL and FACSIMILE**

Todd Miller  
Allocco & Miller, P.C.  
3409 N. Paulina  
Chicago, Illinois 60657

**VIA U.S. MAIL**

Advanced Systems Group, Inc.  
485 W. Fullerton Avenue  
Elmhurst, IL 60126

RE: *Chicago Regional Council of Carpenters Pension Fund, et al. v. Advanced Systems Group, Inc.*, Case No. 08 C 3440

Dear Mr. Miller:

Please be advised that Advanced Systems Group, Inc. is in default of its obligations under the terms of the settlement agreement in the above referenced matter because we have not received the payment of \$1,555.00 which was due November 15, 2009.

To date, Chicago Regional Council of Carpenters Fringe Benefit Funds have received seven (7) payments. The Trust Funds did not receive any payment in August or November. The Trust Funds did receive a payment on or about September 22, 2009 which was applied to August 2009 and a payment on or about October 16, 2009 which was applied to September 2009, although these payments did not include the additional \$250.00 late fees due for each month under the terms of the Settlement Agreement.

A \$250.00 late fee is due each month a payment is made late and the Trust Funds issue a notice of default. To date, Advanced Systems Group, Inc. has failed to pay the \$250.00 late fees due as a result of the prior notices of default that we issued in April 2009, August 2009 and October 2009. As a result of this notice of default, there is yet an additional \$250.00 due as a result of the issuance of this Notice of Default.

The parties' settlement agreement provides as follows:

(b) **Notice and Cure Period.** In the event of default, the Trust Funds shall notify ASGI of said default by sending a notice by U.S. Mail to: Advanced Systems Group, Inc., 485 W. Fullerton Avenue, Elmhurst, IL 60126, with a copy by U.S. Mail and facsimile to Todd Miller, Allocco & Miller, P.C., 3409 N. Paulina, Chicago, Illinois 60657 ("Notice"). Notice sent in this manner shall be deemed sufficient regardless of whether it is received, provided that the Trust Funds provide a certificate of service that notice was properly sent in accordance with the above provisions. ASGI shall have ten (10) days, not counting weekends and holidays ("Cure Period"), from the date that notice of the default is sent to cure such default.

(c) **Late Fee.** IF ASGI is in default on a payment and the Trust Funds or their counsel serve Notice, the amount due shall be increased by two hundred and fifty dollars (\$250.00) ("Late Fee"). The Late Fee is not intended to be a penalty but is instead payment to the Trust Funds as compensation for the additional attorneys' fees and costs incurred to issue the Notice.



## MCJESSY, CHING & THOMPSON LLC

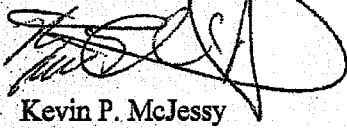
November 23, 2009

Page 2

Accordingly, we look forward to receipt of payment of \$4,110.00 within ten (10) days of your receipt of this letter. If payment is not made within ten (10) days, we will seek to enforce the rights of the Chicago Regional Council of Carpenters Fringe Benefit Funds under the terms of the parties' settlement agreement.

Sincerely,

MCJESSY, CHING & THOMPSON, LLC

A handwritten signature in black ink, appearing to read 'Kevin P. McJessey', is written over the printed name.

Kevin P. McJessey

KPM:smk

cc: John Libby (via email)  
Nathaniel Lagalo (via email)

**08 CV 3440**

**Exhibit F**

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

CHICAGO REGIONAL COUNCIL OF	)	
CARPENTERS PENSION FUND et al.,	)	
	)	
Plaintiffs,	)	08 CV 3440
v.	)	
	)	Judge Kendall
ADVANCED SYSTEMS GROUP, INC., d/b/a	)	
ADVANCED MATERIAL HANDLING	)	
SYSTEMS, INC. and d/b/a ADVANCED OFFICE	)	
SYSTEMS, INC., an Illinois corporation,	)	
	)	
Defendant.	)	

**DECLARATION OF KEVIN P. MCJESSY**

I, Kevin P. McJessey, hereby declare, under penalty of perjury pursuant to the laws of the United States, as follows:

1. I am one of the attorneys representing the Chicago Regional Council of Carpenters Pension Fund ("Pension Fund"), the Chicago Regional Council of Carpenters Welfare Fund ("Welfare Fund"), the Chicago and Northeast Illinois Regional Council of Carpenter Apprentice and Trainee Program ("Trainee Fund"), and the Labor/Management Union Carpentry Cooperation Promotion Fund ("Labor/Management Fund") (collectively "the Trust Funds") in the above-captioned lawsuit ("Lawsuit") against Advanced Systems Group, Inc. ("Defendant").

2. I have been licensed to practice law in the State of Illinois and the United States District Court for the Northern District of Illinois since 1995. I am an attorney with McJessey, Ching & Thompson, LLC ("MC&T").

3. As part of my practice, I handle claims under ERISA. I personally represented the Trust Funds in this lawsuit. I have represented the Trust Funds in this lawsuit since its inception.

4. The Trust Funds have incurred \$632.42 in fees and expenses since April 23, 2009 to seek compliance with the settlement agreement in this matter.

5. The Trust Funds collectively incurred fees totaling \$560.00 for 3.5 hours of attorney services. The reduced hourly rate of attorneys at MC&T for ERISA litigation for the Trust Funds is \$160 per hour.

6. The Trust Funds collectively incurred fees totaling \$12.00 for .2 hours of paralegal time. The reduced hourly rate of paralegals at MC&T for ERISA litigation for the Trust Funds is \$60 per hour. The Trust Funds incurred these fees in connection with its efforts to seek compliance with the settlement agreement in this matter.

7. The Trust Funds incurred \$60.42 in expenses for messenger deliveries, photocopies and postage charges. A detailed breakdown of the fees and costs is attached hereto as Exhibit A.

8. The attorneys' fees, paralegal fees and costs charged to the three Trust Funds in this matter are consistent with MC&T's regular charges for services to the Trust Funds on similar matters.

9. I have personal knowledge of the matters stated in this affidavit and could testify competently to them.

FURTHER DECLARANT SAYETH NOT.

  
\_\_\_\_\_  
Kevin P. McJessey

**08 CV 3440**

**Exhibit A**

Date		Received From/Paid To	Chq#	General		Fees	Bld	Trust Activity		Balance
Entry #		Explanation	Rec#	Rpts	Disbs		Inv#	Acc	Rpts	Disbs
1000		Chicago Regional Council of Carpenters								
0108-ADVA		Advanced Systems Group, Inc.								
Apr 23/2009		US Messenger & Logistics								
39926		Courier	2825		10.55		3228			
Apr 23/2009		US Messenger & Logistics								
39928		Courier	2825		14.15		3228			
Apr 23/2009		Lawyer: KM 0.50 Hrs X 160.00								
40053		Reviewed file materials re: payment. Reviewed settlement agreement for terms on default. Prepared notice of default letter to Advanced Systems Group.				80.00	3228			
Apr 23/2009		Expense Recovery								
40139		Postage Recovery	00150		0.84		3228			
May 8/2009		Chicago Regional Council of Carpe								
40228		PMT -	00709	975.84						
May 8/2009		Billing on Invoice 3228								
40341		FEES 208.00 DISBS			0.00		3228			
May 19/2009		Lawyer: SK 0.20 Hrs X 60.00								
40504		Call from W. Simpson re: settlement payment mistakenly was sent to Union instead of MC&T. Confer with K. McJessey re: same and relayed K. McJessey's instructions to Advanced Systems. Confer with J. Libby re: [REDACTED]				12.00	3267			
May 21/2009		Lawyer: KM 0.10 Hrs X 160.00								
40527		Reviewed and responded to correspondence from N. Lagalo re: [REDACTED]				16.00	3267			
May 26/2009		Chicago Regional Council of Carpe								
40549		PMT -	00721	234.38						
Jun 12/2009		Billing on Invoice 3267								
41200		FEES 28.00			0.00		3267			
Jun 25/2009		Lawyer: KM 0.10 Hrs X 160.00								
41738		Reviewed correspondence from N. Lagalo re: [REDACTED]				16.00	3287			
Jul 9/2009		Billing on Invoice 3287								
41832		FEES 16.00			0.00		3287			
Jul 24/2009		Chicago Regional Council of Carpe								
42322		PMT -	00749	44.00						
Aug 5/2009		Billing on Invoice 3330								
42824					0.00		3330			
Sep 2/2009		Lawyer: KM 0.40 Hrs X 160.00								
43781		Reviewed correspondence from N. Lagalo re: [REDACTED]. Telephone call with N. Lagalo re: [REDACTED]. Prepared notice of default to T. Miller.				64.00	3543			
Sep 8/2009		Expense Recovery								
43705		Postage Recovery	00169		0.44		3543			
Sep 8/2009		Lawyer: KM 0.50 Hrs X 160.00								
44165		Reviewed and responded to correspondence from T. Miller re: alleged payment made in August. Prepared correspondence to N. Lagalo re: [REDACTED]. Reviewed correspondence from N. Lagalo re: [REDACTED]				80.00	3543			
Oct 6/2009		Expense Recovery								
44652		Postage Recovery	00172		0.88		3615			
Oct 6/2009		Lawyer: KM 0.40 Hrs X 160.00								
44827		Inquiry with Trust Funds as to [REDACTED]. Prepared notice of default.				64.00	3615			
Oct 8/2009		Expense Recovery								
44650		Postage Recovery	00172		0.88		3615			
Oct 16/2009		Expense Recovery								
44644		Postage Recovery	00172		0.44		3615			
Oct 19/2009		Billing on Invoice 3543								
44291		FEES 144.00 DISBS			0.00		3543			
Oct 19/2009		Lawyer: KM 0.10 Hrs X 160.00								
44420		Telephone call to T. Miller re:				16.00	3615			

Date	Entry #	Received From/Paid To Explanation	Chq# Rec#	General		Fees	Bld		Trust Activity		
				Rpts	Disbs		Inv#	Acc	Rpts	Disbs	Balance
Oct 22/2009	44969	follow up on ASG's failure to correct defaults. Lawyer: KM 0.20 Hrs X 160.00 Confer with N. Lagalo re: [REDACTED] [REDACTED] Reviewed correspondence from N. Lagalo re: [REDACTED]				32.00	3615				
Oct 23/2009	44404	US Messenger & Logistics Courier	2958		13.34		3615				
Oct 31/2009	44608	Expense Recovery Photocopy Recovery	00171		4.20		3615				
Nov 6/2009	45523	Lawyer: KM 0.30 Hrs X 160.00 Telephone call with T. Miller re: default on settlement. Reviewed correspondence from T. Miller re: confirm no longer representing ASG.				48.00					
Nov 9/2009	44571	Chicago Regional Council of Carpe PMT -	00788	144.44							
Nov 20/2009	44737	US Messenger & Logistics Courier	2980		13.34						
Nov 23/2009	44811	Lawyer: KM 0.20 Hrs X 160.00 Prepared notice of default for missing November payment.				32.00					
Nov 23/2009	45246	Expense Recovery Postage Recovery	00173		0.88						
Nov 25/2009	45165	Billing on Invoice 3615 FEES 112.00 DISBS 19.74			0.00		3615				
Nov 30/2009	45272	Expense Recovery Photocopy Recovery	00174		0.48						
Dec 4/2009	45358	Lawyer: ATT 0.40 Hrs X 160.00 Drafted motion to vacate dismissal and for entry of default judgment pursuant to breach of settlement agreement.				64.00					
Dec 10/2009	45390	Lawyer: KM 0.30 Hrs X 160.00 Reviewed and revised motion for entry of judgment based on default on settlement agreement payments.				48.00					

TOTALS	UNBILLED				BILLED				BALANCES	
	CHE	RECOV	FEES	TOTAL	DISBS	FEES	TAX	RECEIPTS	A/R	TRUST
PERIOD	13.34	1.36	192.00	206.70	45.72	380.00	0.00	1398.66	-972.94	0.00
END DATE	13.34	1.36	192.00	206.70	673.46	5376.00	0.00	5917.72	131.74	0.00

FIRM TOTAL	UNBILLED				BILLED				BALANCES	
	CHE	RECOV	FEES	TOTAL	DISBS	FEES	TAX	RECEIPTS	A/R	TRUST
PERIOD	13.34	1.36	192.00	206.70	45.72	380.00	0.00	1398.66	-972.94	0.00
END DATE	13.34	1.36	192.00	206.70	673.46	5376.00	0.00	5917.72	131.74	0.00

## REPORT SELECTIONS - Client Ledger

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 Requested by ADMIN  
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 Ver 9.31d  
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 Major Clients All  
 Client Intro Lawyer All  
 Responsible Lawyer All  
 Assigned Lawyer All  
 Type of Law All  
 Select From Active, Inactive, Archived Matters  
 Matters Sort by Default  
 New Page for Each Lawyer No  
 New Page for Each Matter No  
 No Activity Date Dec 31/2199  
 Firm Totals Only No  
 Totals Only No  
 Entries Shown - Billed Only No  
 Entries Shown - Disbursements Yes  
 Entries Shown - Receipts Yes  
 Entries Shown - Time or Fees Yes  
 Entries Shown - Trust Yes  
 Incl. Matters with Retainer Bal No  
 Incl. Matters with Neg Unbld Disb No  
 Trust Account All  
 Working Lawyer All  
 Include Corrected Entries No  
 Show Check # on Paid Payables No  
 Show Client Address No  
 Consolidate Payments No  
 Show Trust Summary by Account No

**08 CV 3440**

**Exhibit G**



UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

CHICAGO REGIONAL COUNCIL OF	)	
CARPENTERS PENSION FUND et al.,	)	
	)	
Plaintiffs,	)	08 CV 3440
v.	)	
	)	Judge Kendall
ADVANCED SYSTEMS GROUP, INC., d/b/a	)	
ADVANCED MATERIAL HANDLING	)	
SYSTEMS, INC. and d/b/a ADVANCED OFFICE	)	
SYSTEMS, INC., an Illinois corporation,	)	
	)	
Defendants.	)	

**JUDGMENT ORDER**

WHEREAS, pursuant to this Court's Order of March 27, 2009, the Settlement Agreement was made part of this Court's final order;

WHEREAS pursuant to the Chicago Regional Council of Carpenters Pension Fund et al.'s ("Trust Funds") motion to enforce settlement agreement, the Court finds that Defendant Advanced Systems Group, Inc. ("Defendant") failed to make the required payments;

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that, upon application of the Trust Funds and for good cause shown, judgment is entered in favor of the Trust Funds and against Defendant in the amount of \$9,672.38;

IT IS FURTHER ORDERED that the Defendant shall pay the Trust Funds any additional attorneys' fees incurred in collecting amounts due under this judgment order;

\_\_\_\_\_  
Date

\_\_\_\_\_  
Judge Virginia Kendall